

SUPPORT FOR THE POPULATION AND HOUSING CENSUS AND STRENGTHENING OF THE NATIONAL STATISTICS SYSTEM

(EC-0197)

EXECUTIVE SUMMARY

Borrower and guarantor:	Republic of Ecuador	
Executing agency:	National Statistics and Censuses Institute	
Amount and source:	IDB: (OC)	US\$12,500,000
	Local:	US\$6,500,000
	Total:	US\$19,000,000
Financial terms and conditions:	Amortization period:	20 years
	Disbursement period:	4 years
	Grace period: 4	42 years
	Interest rate:	variable
	Inspection and supervision:	1.00%
	Credit fee:	0.75%
Objectives:	Currency:	U.S. dollar from the Single Currency Facility
	<p>The general objective is to support the Government of Ecuador in conducting the Sixth Population Census and the Fifth Housing Census, through INEC, and in developing the National Statistics System to improve the quality and reliability of its products.</p> <p>The specific objectives are to: (i) provide INEC with the human, material, and financial resources needed to ensure that the census cycle is conducted efficiently, in the time scheduled and with the required level of quality; (ii) ensure that Ecuador's Census 2001 provides highly-reliable data and significant content for national and international users in the public and private sectors; (iii) ensure that census activities use modern census technology, particularly for map updating, data processing, and disseminating results; (iv) develop an Integrated Household Survey System (IHSS) to produce timely, reliable data on the living conditions and income and expenditures of households in the country and promote use of the system by users in the public and private sectors in a context of institutional</p>	

strengthening that guarantees its continuity; (v) strengthen the system of short-term indicators, by updating the baskets, weighting, and directories that serve as the basis for calculating the main price indices (consumer, producer, construction, and wage) to reflect their true patterns; and (vi) institutional strengthening of INEC to conduct activities related to national censuses, household surveys, and short-term indicators and prepare a diagnosis of the National Statistics System to lay the groundwork for its development.

Description: The program has three components: (i) **population and housing census**; (ii) **integrated household survey system and short-term indicators**; and (iii) **foundation for the institutional strengthening of the NSS**.

The Bank's country and sector strategy: The objective of the proposed Bank strategy for the country is to: (i) stabilize the economy and revive growth capacity; (ii) alleviate poverty and train human capital; (iii) manage infrastructure with private sector participation; and (iv) modernize and decentralize the State and promote regional development.

Environmental and social review: The Committee on Environmental and Social Impact (CESI) reviewed and approved Profile I of this operation on August 25, 2000. It determined that the census questionnaire should include questions to obtain substantive information on gender, the ethnicity of the population, and environmental conditions. Those questions were included and are being tested in the experimental census; some are also being tested through subsampling. Project execution is not expected to have a negative environmental or social impact. On the contrary, the census information collected and processed will make it possible to better identify pockets of poverty and areas with the greatest demand for or shortfalls in public services of all kinds.

Benefits: Population censuses were originally geared towards counting a country's inhabitants. Today they are an important source of information and guidance on economic and social development, employment, migration, housing, education, public health, social welfare, and many other areas that decision makers in the public and private sectors touch upon. The data generated will provide elements, *inter alia*, for social and demographic analysis, such as information on gaps between geographic areas and social groups, and for studying issues related to poverty and inequality, gender, and the development of indigenous peoples, such as their organization, territory, culture, production, etc.

The main benefits of improving household surveys in Ecuador will be: (i) the development and implementation of a sustainable integrated household survey system; (ii) installation of national capacity to manage, implement, and analyze household surveys; (iii) improved

communication between the entities that produce data on living conditions and the users; (iv) easy access to the databases and broad dissemination of household survey results; and (v) improved standardization of the basic concepts and methodologies.

The short-term indicators will give the country current, reliable data on the evolution of different prices, which are crucial for setting public policy and analyzing economic conditions.

Risks:

The greatest problem with the 1990 population and housing census was the lack of collaboration with some campesino sectors, which resulted in census omissions of roughly 7%. The situation for the 2001 census is different, since four campesino/indigenous organizations were involved in preparing the census and will even work as census takers. Campesino communities are also interested in participating, since they will benefit from the new geo-political definition of the country stemming from the decentralization process.

The main challenge regarding the Integrated Household Survey System is to make it sustainable. To that end, the program will look for co-financing from public agencies that use the data, and selected products may be sold to private institutions. The improved interaction between producers and users (government, bilateral agencies, NGOs, the academic community, civil society, etc.) resulting from this project will foster ongoing, permanent demand for high-quality household survey data that have broad geographic coverage on a wide range of topics.

Special contractual clauses:

Prior to the first program disbursement, the executing agency will present evidence to the Bank's satisfaction that: (i) the Project Coordination and Support Unit (CSU) and the four regional support units (RSUs) have been set up; (ii) contracts have been signed with the consultants who will form the unit; and (iii) separate bank accounts have been opened for the Bank's financing and the local contribution, and the expenses and amounts that the RSUs can execute directly, with CSU authorization, have been set.

Poverty-targeting and social sector classification:

This operation does not qualify as a social equity-enhancing project, as described in the indicative targets mandated by the Bank's Eighth Replenishment (document AB-1704).

Exceptions to Bank policy:

None.

Procurement:

Procurements will be made in accordance with Bank procedures. Only one bid call for over US\$250,000 is planned, to procure information systems. Since the country has a broad range of computer

manufacturers that also offer support and basic training services for these goods, the international bidding amount was set at US\$320,000.